

Q1 2012

**INTERIM
REPORT**

FOR THE FIRST QUARTER OF 2012

Key Figures at a Glance (IFRS)

€ thousand		
From the income statement	31 March 2012	31 March 2011
Income from rents and leases	8,971	7,087
Net rental income	8,275	6,434
Operating result	4,427	3,286
Financial result	-2,531	-1,554
EBITDA	7,400	5,532
EBDA	4,869	3,978
EBIT	4,444	3,286
Funds from operations (FFO)	4,852	3,978
Net income for the period	1,913	1,732
From the statement of financial position	31 March 2012	31 December 2011
Total assets	467,005	462,493
Non-current assets	435,782	435,641
Equity	216,554	215,131
Equity ratio in%	46.4	46.5
REIT equity ratio in%	56.8	55.7
Loan-to-value (LTV) in%	37.6	39.1
On HAMBORNER shares	31 March 2012	31 March 2011
Earnings per share (€)	0.06	0.05
Funds from operations (FFO) per share in €	0.14	0.12
Stock price per share in € (Xetra)	7.60	7.43
Market capitalisation	259,312	253,512
Other data	31 March 2012	31 December 2011
Fair value of the property portfolio	502,090	504,432
Net asset value (NAV)	304,248	299,328
Net asset value per share in €	8.92	8.77
Number of employees including Managing Board	27	28

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The financial reporting of HAMBORNER REIT AG is in accordance with IFRS (International Financial Reporting Standards) as applicable in the European Union.

This interim report was published on 10 May 2012.

Letter from the Managing Board

Dear Shareholders,

As we reported in our annual report for 2011 published at the end of March, the past year was a highly successful one for us. And the first quarter of 2012 continued to develop positively as well.

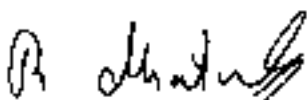
In addition to the acquisition of the leasehold property in Geldern, the newly built OBI DIY store in Aachen was also added to our books in early April. The construction of the NuOffice building in Munich is making good progress. The property is expected to be transferred to us at the start of 2013. Furthermore, we transferred three properties that were no longer consistent with our strategy at the Erfurt location to their buyers.

At an operating level, we are progressing according to plan after the first three months and are optimistic for the rest of the year. With the investments performed in 2011 that will contribute in full to rents and FFO this year and the addition of the OBI store in Aachen we aim to achieve further rent and FFO growth in the current financial year.


Our work on the capital market is also continuing successfully. As of 19 March 2012, the shares of HAMBORNER REIT AG were added to the FTSE (Financial Times Stock Exchange) EPRA/NAREIT. This index tracks Europe's most important property companies and, for many international investors, being listed in it is a requirement for an investment in HAMBORNER. We are therefore particularly delighted that we have achieved this further key goal after being added to the SDAX in 2011, thereby making us even more attractive for a broad shareholder base. The share price has also reflected our good business performance and in the first three months of 2012 recovered significantly after a somewhat modest performance in 2011.

We would be delighted by your ongoing confidence in us in 2012 and are always happy to engage in an open exchange with you.

Duisburg, May 2012



Dr Rüdiger Mrotzek



Hans Richard Schmitz

Interim Management Report

General Economic Conditions

After the gross domestic product fell for the first time in almost three years at the end of 2011, the German economy fully appeared to have overcome its temporary phase of weakness at the start of the year. In spite of the enduring financial and economic crisis in Europe, the leading research institutes feel that the German economy is on the rise, with the result that the economic growth assessment issued in autumn was revised upwards. For 2012, economists raised their growth forecast slightly from 0.8% to 0.9% in their spring report. For next year, researchers are predicting an increase in gross domestic product of 2% for the German economy.

In the opinion of analysts, German exports will grow by 3.1% in the current year and 5.1% in 2013. The debt crisis in the eurozone will also cast its shadow over Germany's key trading partners in the coming years, hence the rise in exports is not forecast to be any stronger. Domestic demand is also supporting the German economy, especially due to investments and spending by private consumers.

The situation on the labour market will also improve thanks to growth. Researchers predict that the average unemployment figure for 2012 will decline to 2.8 million and then 2.6 million in 2013. The inflation rate is expected to be around 2.3% for 2012 and 2.2% for 2013.

The forecasts for future economic performance are based on the assumption that the debt crisis is not exacerbated further. It is still causing a great deal of uncertainty in forecasts and is the biggest risk to future economic development in Germany. Economic institutes believe that the situation can only stabilise in the long term if the reforms take effect and there is no further loss of confidence in the finance markets.

Report on the Result of Operations, Financial Position and Net Asset Situation

As anticipated, the result of operations, net asset situation and financial position of HAMBORNER REIT AG developed well against the backdrop of general economic conditions in the first three months of 2012.

Result of Operations

By the end of March 2012, we generated income from the management of our properties of €8,971 thousand. The increase as against the same period of the previous year was €1,884 thousand or 26.6%, €1,860 thousand (26.3%) of which related to income from additions to property assets in 2011. Sales of properties reduced income by a total of €51 thousand (0.7%). The rental income from properties that were in our portfolio in both the first three months of 2011 and the reporting quarter (like-for-like) increased by €75 thousand (1.1%). The income from charging incidental costs to tenants amounted to €787 thousand, up €64 thousand (8.8%) on the same period of the previous year.

The vacancy rate in the first three months of the year under review was a low 1.8% and therefore declined by 0.3% points as against the same period of the previous year. The vacancy rate for the reporting period adjusted for income from rent guarantees was 1.7% (previous year: 1.3%).

Expenses of €1,219 thousand were incurred for the management of our properties in the first three months of the reporting year (previous year: €1,066 thousand). This marks an increase of 14.4% and is mainly due to the larger property portfolio.

The expenses for the maintenance of our land and property portfolio amounted to €264 thousand as at 31 March 2012 as against €310 thousand in the same period of the previous year. The maintenance expenses for the first three months of a financial year are naturally lower than in the subsequent months as the larger, planned measures do not commence until spring or summer.

The net rental income derived from the above items amounted to €8,275 thousand, up €1,841 thousand or 28.6% on the amount recognised for the same period of the previous year (€6,434 thousand).

Administrative and personnel costs totalled €911 thousand, up €40 thousand on the previous year's level (€871 thousand). While administrative expenses declined by €19 thousand, personnel costs rose by €59 thousand. The reason for this is essentially the hiring of employees in the fourth quarter of the previous year to replace staff leaving as at the end of the reporting period.

Depreciation and amortisation expense rose chiefly as a result of the larger property portfolio by €710 thousand to €2,956 thousand in the period under review after €2,246 thousand in the same period of the previous year.

Other operating income amounted to €201 thousand in the first quarter of the reporting year (previous year: €213 thousand) and mainly related to a non-recurring compensation payment from a tenant for the early termination of his rental agreement.

Other operating expenses declined by €62 thousand to €182 thousand. Among other things, this item includes the costs of public relations work at €66 thousand (previous year: €64 thousand) and of legal and consulting costs at €27 thousand (previous year: €32 thousand).

The operating result of the company as at the end of March 2012 developed positively and amounted to €4,427 thousand after €3,286 thousand in the same period of the previous year. This corresponds to an increase of €1,141 thousand or 34.7%.

We generated earnings of €17 thousand in the first quarter of 2012 from the disposal of three buildings in Erfurt. No such contribution to earnings was generated in the same quarter of the previous year.

Net finance costs declined by €977 thousand, amounting to €-2,531 thousand in the reporting period. The reduction is primarily due to the further increase in the funds borrowed to finance the company's growth and the associated interest expenses (€-2,608 thousand in the first quarter of 2012 after €-1,813 thousand in the same period of the previous year). On the assets side, interest income declined by €182 thousand to €77 thousand in the reporting period as a result of the significant reduction in cash and cash equivalents as a result of property acquisitions in 2011.

The first quarter of 2012 ended with comprehensive income for the period of €1,913 thousand after €1,732 thousand in the same period of the previous year. This resulted in earnings per share of €0.06 after €0.05 in the first three months of the previous year.

The FFO (not including income from disposals) amounted to €4,852 thousand as at 31 March 2012 (previous year: €3,978 thousand) and therefore rose by 22.0%.

Net Asset Situation and Financial Position

In March 2012, the previously leasehold property in Geldern was transferred to our books for a purchase price of €3.2 million. There were no property acquisitions other than this in the first quarter of 2012.

At the start of March, we sold three smaller properties in Erfurt that were no longer consistent with the company's strategic concept for a total price of €5.6 million. As at 31 December 2011, these properties had been reported under "Non-current assets held for sale".

After these changes described, the market value of the developed property portfolio amounted to €502.1 million as at the end of the reporting quarter.

The €1.7 million decline in "Trade receivables and other assets" to €1.0 million resulted mainly from the receipt of a purchase price receivable of €2.2 million from a property disposal that was not yet due as at 31 December 2011.

On 31 March 2012, the company had cash and cash equivalents of €30.2 million. Among other things, the €11.5 million increase as against cash and cash equivalents as at 31 December 2011 (€18.7 million) resulted from the cash received in connection with the disposal of properties in Erfurt (€5.6 million).

On the equity and liabilities side, current and non-current financial liabilities rose by a net amount of €2.9 million as a result of the utilisation of a property loan to finance the property in Offenburg (€4.4 million) less scheduled repayments and amounted to €219.2 million as at the end of the quarter. The company also had total funds not yet utilised of €35.7 million at its disposal from concluded loan agreements. These funds can be accessed directly at short notice on fulfilment of the payout requirements. A credit line of €10.0 million granted to the company for the short-term interim financing of property acquisitions was not utilised in the period under review.

The market value of derivative financial instruments declined by a further €0.5 million as against 31 December 2011 due to subsequent measurement to €-13.2 million.

Income tax liabilities mainly relate to supplementary payments in connection with the exit taxation triggered by the company achieving REIT status. The external audit for the years 2007 to 2009 has now been completed. By way of the tax assessments issued, the taxation of the company up to and including 2009 is now final and absolute. The subsequent payments resulting from the assessments were already recognised in profit or loss in the financial statements as at 31 December 2011.

In the first quarter of the reporting year, we generated a cash flow from operating activities of €6.8 million after €5.7 million in the same period of the previous year.

The reported equity ratio as at 31 March 2011 was 46.4% after 46.5% as at 31 December 2010. The REIT equity ratio rose from 55.7% as at 31 December 2011 to 56.8% as at the end of the reporting period.

Risk Report

As a property company with property holdings throughout Germany, HAMBORNER REIT AG is exposed to a number of risks that could affect its result of operations, financial position and net assets situation. We are not currently anticipating any significant changes in the assessment of risks to the business development of the company as against 31 December 2011. The comments made in the risk report of the 2011 management report therefore still apply.

No risks to the continuation of the company as a going concern are currently discernible.

Forecast Report

As an asset manager for commercial properties, HAMBORNER REIT AG held a portfolio of 66 properties as at 31 March 2012. In future, the company's strategy will be geared towards value-adding growth in the fields of large-scale retail, high street commercial properties and office properties.

The Managing Board maintains its general assessment regarding the future business prospects as published in the 2011 annual report. The Managing Board is striving for a further increase in rental income in 2012 as a whole of around 10% as against the 2011 financial year with the vacancy rate remaining low. With the market environment recovering in general, the company counts on a stable development in operating activities and it intends to increase its FFO in the current 2012 financial year by around 5% to 10% as against the previous year.

Supplementary Report

The newly built OBI DIY store in Aachen with rental space of 11,431 m² was added to our books on 3 April 2012. We are anticipating an initial annual contribution to rent of €1,020 thousand from this property.

Interim Financial Statements of HAMBORNER REIT AG as at 31 March 2012

Income Statement

€ thousand	1 January – 31 March 2012	1 January – 31 March 2011
Income from rents and leases	8,971	7,087
Income from passed-on incidental costs to tenants	787	723
Real estate operating expenses	-1,219	-1,066
Property and building maintenance	-264	-310
Net rental income	8,275	6,434
Administrative expenses	-196	-215
Personnel costs	-715	-656
Amortisation of intangible assets, depreciation of tangible fixed assets and investment property	-2,956	-2,246
Other operating income	201	213
Other operating expenses	-182	-244
Operating result	4,427	3,286
Result from the sale of investment property	17	0
Earnings before interest and taxes (EBIT)	4,444	3,286
Interest income	77	259
Interest expenses	-2,608	-1,813
Financial result	-2,531	-1,554
Net income for the period	1,913	1,732
Earnings per share (€)	0.06	0.05

Statement of Comprehensive Income

€ thousand	1 January – 31 March 2012	1 January – 31 March 2011
Net income for the period as per the income statement	1,913	1,732
Unrealised gains/losses (-) on the revaluation of derivative financial instruments	-490	2,500
Income/expense (-) recognised in other comprehensive income	-490	2,500
Total comprehensive income for the period	1,423	4,232

The expenses recognised in other comprehensive income relate to changes in the fair value of interest rate swaps used to hedge the risks of interest rate fluctuations. Corresponding changes in fair value are recognised in the revaluation surplus if risks are hedged with sufficient efficiency and the hedging relationship is documented.

Statement of Financial Position – Assets

€ thousand	31 March 2012	31 December 2011
Non-current assets		
Intangible assets	19	23
Property, plant and equipment	163	169
Investment property	435,345	435,190
Financial assets	25	27
Other assets	230	232
	435,782	435,641
Current assets		
Trade receivables and other assets	1,007	2,672
Income tax receivables	9	9
Bank deposits and cash balances	30,207	18,685
Non-current assets held for sale	0	5,486
	31,223	26,852
Total assets	467,005	462,493

Statement of Financial Position – Equity and Liabilities

€ thousand	31 March 2012	31 December 2011
Equity		
Issued capital	34,120	34,120
Capital reserves	64,285	64,285
Retained earnings		
Other retained earnings	105,638	105,638
Revaluation surplus	-15,546	-15,056
	90,092	90,582
Net retained profits		
Profit carryforward	26,144	17,064
Net profit for the period	1,913	7,865
Withdrawal from other retained earnings	0	1,215
	28,057	26,144
	216,554	215,131
Non-current liabilities and provisions		
Financial liabilities	212,566	209,551
Derivative financial instruments	13,216	12,726
Trade payables and other liabilities	2,775	2,867
Pension provisions	7,039	7,122
Other provisions	866	859
	236,462	233,125
Current liabilities and provisions		
Financial liabilities	6,604	6,672
Income tax liabilities	1,289	1,289
Trade payables and other liabilities	3,711	3,233
Other provisions	2,385	3,013
Liabilities in connection with non-current assets held for sale	0	30
	13,989	14,237
Total equity and liabilities	467,005	462,493

Statement of Cash Flows

€ thousand	1 January – 31 March 2012	1 January – 31 March 2011
Cash flow from operating activities		
Earnings before taxes (EBT)	1,913	1,732
Financial result	2,531	1,554
Depreciation, amortisation and impairment (+)/write ups (-)	2,956	2,246
Change in provisions	-784	-460
Gains (-)/losses (+) (net) on the disposal of property, plant and equipment and investment property	-66	0
Other non-cash expenses (+)/income (-)	-19	-3
Change in receivables and other assets not attributable to investing or financing activities	-291	-433
Change in liabilities not attributable to investing or financing activities	505	781
Interest received	85	304
	6,830	5,721
Cash flow from investing activities		
Investments in intangible assets, property, plant and equipment and investment property	-3,351	-60,604
Proceeds from disposals of property, plant and equipment and investment property	7,732	0
Proceeds from disposals of financial assets	1	3
	4,382	-60,601
Cash flow from financing activities		
Proceeds from borrowings of financial liabilities	4,400	0
Repayments of borrowings	-1,531	-1,302
Interest payments	-2,559	-2,232
	310	-3,534
Changes in cash and cash equivalents	11,522	-58,414
Cash and cash equivalents on 1 January	18,685	83,629
Bank deposits and cash balances	18,685	83,629
Cash and cash equivalents on 31 March	30,207	25,215
Bank deposits and cash balances	30,207	25,215

Statement of Changes in Equity

€ thousand	Issued capital	Capital reserves	Retained earnings			Net retained profits		Total equity
			Other retained earnings	Revaluation surplus	Profit carry-forward	Net profit for the period	Withdrawal from other retained earnings	
Balance as of 1 January 2011	34,120	64,267	106,853	-11,462	24,020	5,669	0	223,467
Carryforward to new account					5,669	-5,669		0
Income/expense (-) directly recognised in other comprehensive income				2,500				2,500
Net income for the period 1 January – 31 March 2011						1,732		1,732
Comprehensive income for the period 1 January – 31 March 2011				2,500		1,732		4,232
Balance as of 31 March 2011	34,120	64,267	106,853	-8,962	29,689	1,732	0	227,699
Distribution of profit for 2010					-12,625			-12,625
Costs of capital increase		18						18
Income/expense (-) directly recognised in other comprehensive income				-6,094				-6,094
Withdrawal from other revenue reserves				-1,215			1,215	0
Net income for the period 1 April – 31 December 2011						6,133		6,133
Comprehensive income for the period 1 April – 31 December 2011				-6,094		6,133	1,215	6,133
Balance as of 31 December 2011	34,120	64,285	105,638	-15,056	17,064	7,865	1,215	215,131
Carryforward to new account			0		9,080	-7,865	-1,215	
Income/expense (-) directly recognised in other comprehensive income				-490				-490
Net income for the period 1 January – 31 March 2012						1,913		1,913
Comprehensive income for the period 1 January – 31 March 2012				-490		1,913		1,423
Balance as of 31 March 2012	34,120	64,285	105,638	-15,546	26,144	1,913	0	216,554

Notes to the Interim Financial Statements

Information on HAMBORNER

HAMBORNER REIT AG is a listed corporation (SCN 601300) headquartered in Duisburg, Germany. This interim report of HAMBORNER REIT AG for the first quarter of 2012 was published on 10 May 2012. The interim financial statements have been prepared in euro (€), whereby all amounts – unless stated otherwise – are reported in thousands of euro (€ thousand). Minor rounding differences may occur in totals and percentages.

Principles of Reporting

This interim report of HAMBORNER REIT AG as of 31 March 2012 is in accordance with IFRS (International Financial Reporting Standards) as applicable in the European Union. In particular, it was prepared in line with the regulations of International Accounting Standard 34 on interim reporting and the requirements of the German Accounting Standard No. 16 of the DRSC (German Accounting Standards Committee) on interim reporting and in accordance with the requirements of section 37w and 37x of the Wertpapierhandelsgesetz (WpHG – German Securities Trading Act). The scope of the interim reporting is condensed compared to the annual separate financial statements.

Otherwise, the interim financial statements as of 31 March 2012 are based on the same accounting policies as the separate IFRS financial statements as of 31 December 2011.

In the process of preparing these interim financial statements, we reviewed the fair values of our properties as calculated by expert opinion as of 31 December 2011. The review did not identify any factors affecting their value that would have led to a significantly different valuation. It therefore currently appears justified to retain the values as calculated by expert opinion as at 31 December 2011 in these interim financial statements.

In the opinion of the Managing Board, the interim report contains all significant information needed to understand the changes in the result of operations, financial position and net assets situation of HAMBORNER REIT AG since the end of the last reporting period. The significant changes and transactions in the reporting period are presented in the interim management report of this document.

This interim report was neither audited in accordance with section 317 of the Handelsgesetzbuch (HGB – German Commercial Code) nor was it reviewed by a person capable of performing an audit.

Significant related party transactions

There were no reportable transactions with related parties in the first quarter of 2012.

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the company, and the interim management report of the company includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal opportunities and risks associated with the expected development of the company for the remaining months of the financial year.

Duisburg, 10 May 2012

The Managing Board

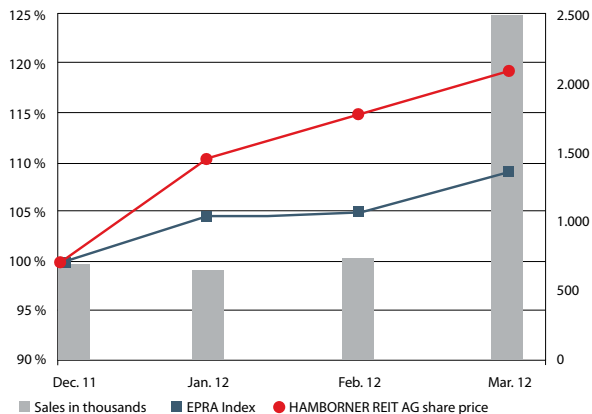
The image shows two handwritten signatures in black ink. The signature on the left is 'Dr. Rüdiger Mrotzek' and the signature on the right is 'Hans Richard Schmitz'. Both signatures are written in a cursive, flowing style.

Dr Rüdiger Mrotzek

Hans Richard Schmitz

Supplementary Information

HAMBORNER REIT AG Shares



After 2011 proved extremely difficult for the capital market and the uncertainty in connection with the European debt crisis stamped the developments on the German stock market, the beginning of 2012 was initially highly promising. The DAX had its best first quarter since 1998 with a rise of around 18% and this positive trend also continued at an international level. A calming of the debt crisis in the euro area as a result of the bailout funds resolved at political level, monetary policy at the European Central Bank, positive economic data and a historically low interest level restored investor confidence in equities. However, it remains to be seen how stable and sustained this highly positive development is.

HAMBORNER's shares also performed very well in the first three months of the year in line with the positive environment and climbed by 19% in value as against the end of the year (closing price on 31 March 2012: €7.60). Market capitalisation amounted to €259.3 million as at 31 March 2012.

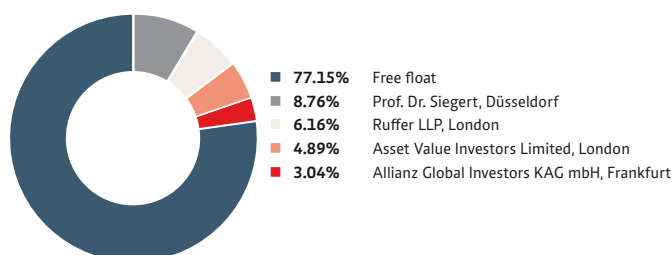
Name/code	HAMBORNER REIT AG/HAB
SCN/ISIN	601300/DE0006013006
Number of shares	34,120,000
Share capital	€34,120,000
Transparency standard	Prime Standard
Designated sponsors	HSBC and WestLB
Free float	77.15%
Market capitalisation	€259.3 million

Trading volumes in the company's shares also stayed encouraging, tracking at a high level in recent months. Following the inclusion of HAMBORNER shares in the SDAX last year, this development also led to their listing in the FTSE EPRA/NAREIT as at 19 March 2012. The EPRA is an organisation based in Brussels that represents the interests of the major European property companies to the public and supports the development and market presence of the European property corporations. The most important property companies in Europe are represented in its FTSE EPRA/NAREIT index. Being listed in this index is a prerequisite for a number of international investors to consider investing in a given company. The EPRA Index was up by 9% in the first quarter of 2012.

Our investor relations work is still intensive. Following the publication of the preliminary figures in February, management met with investors at roadshows in Germany and abroad. On 29 March 2012, we also held our annual analyst and accounts press conference in Frankfurt on the occasion of the publication of our annual report. In addition, we are attending specialist and capital market conferences and are also planning to do this in the coming months.

The Annual General Meeting will be held in Mülheim an der Ruhr at 10.00 am on 15 May 2012. We look forward to welcoming you there.

Shareholder Structure as at 31 March 2012



ISIN: DE0006013006

Financial Calendar 2012/2013

10 May 2012	Interim report for Q1 2012
15 May 2012	Annual General Meeting 2012
16 May 2012	Payment of dividend for the 2011 financial year
9 August 2012	Interim report for H1 2012
8 November 2012	Interim report for Q3 2012
27 March 2013	Annual report 2012
6 May 2013	Interim report for Q1 2013
7 May 2013	Annual General Meeting 2013

Forward-Looking Statements

This report contains forward-looking statements, e.g. on general economic developments in Germany, the future situation of the property industry and the company's own probable business performance. These statements are based on current assumptions and estimates by the Managing Board, which were made diligently on the basis of all information available at the respective time. If the assumptions on which statements and forecasts are based are not accurate, the actual results may differ from those currently anticipated.

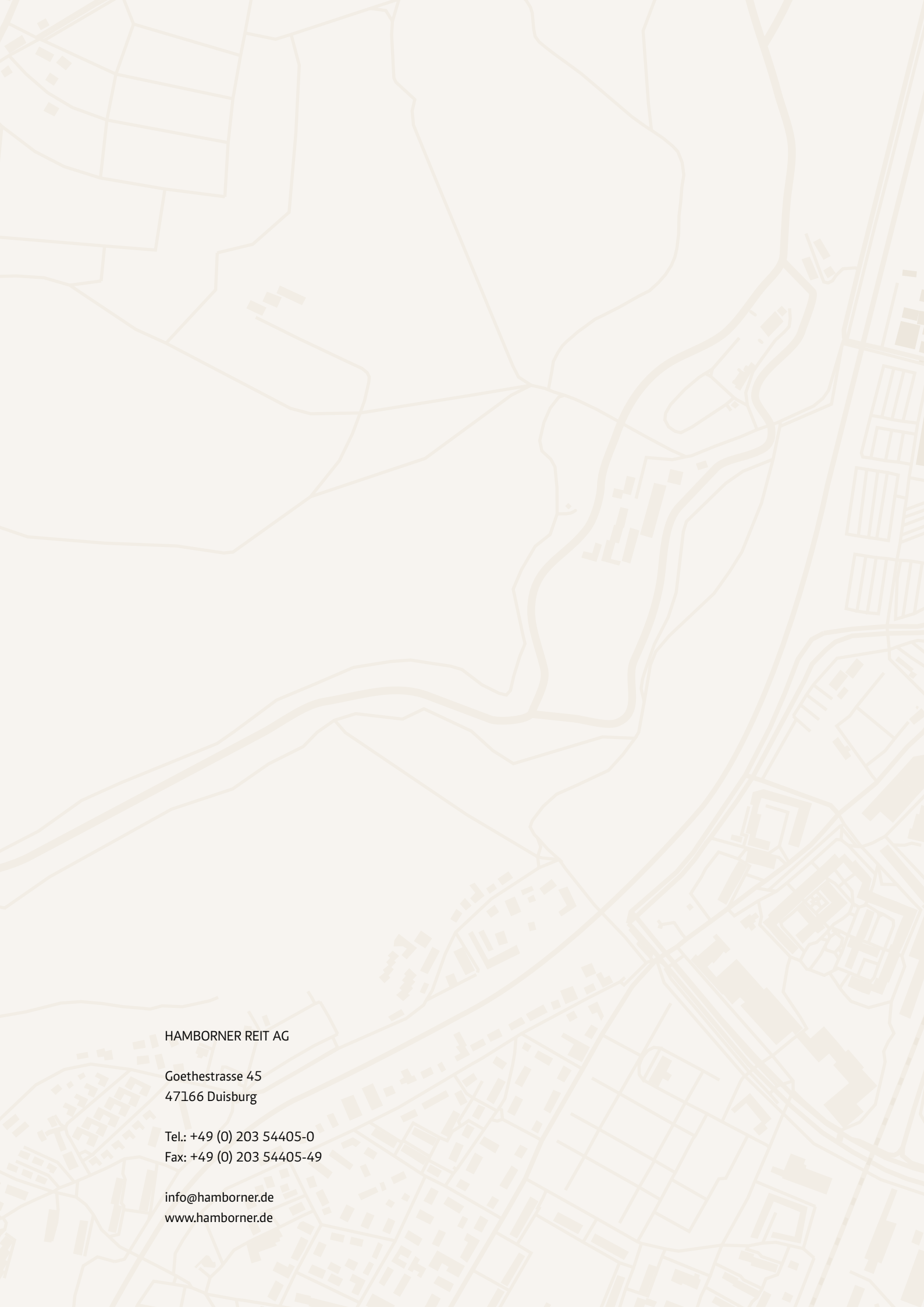
Imprint

Published by

The Managing Board of HAMBORNER REIT AG, Duisburg

As at:

May 2012



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